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McDONALD CARANO WILSON LLP  
Ryan J. Works, Esq. (NV Bar No. 9224)  
Amanda M. Perach, Esq. (NV Bar No. 12399)  
2300 West Sahara Avenue, Suite 1000  
Las Vegas, Nevada 89102  
Telephone Number: (702) 873-4100  
Facsimile Number: (702) 873-9966  
[rworks@mcdonaldcarano.com](mailto:rworks@mcdonaldcarano.com)  
[aperach@mcdonaldcarano.com](mailto:aperach@mcdonaldcarano.com)

*Proposed Counsel for TEM Enterprises*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re

TEM ENTERPRISES,

Debtor in Possession.

Case No.: 14-13955-abl

Chapter 11

**DECLARATION OF LISA DUNN IN  
SUPPORT OF EMERGENCY MOTION FOR  
AN ORDER (I) AUTHORIZING DEBTOR  
TO PAY EMPLOYEE WAGES, SALARIES,  
BENEFITS, REIMBURSABLE BUSINESS  
EXPENSES AND OTHER EMPLOYEE  
OBLIGATIONS; AND (II) AUTHORIZING  
PAYMENT OF CERTAIN CRITICAL  
VENDORS**

**Hearing Date: *OST Requested***

**Hearing Time: *OST Requested***

**Hearing Place: Foley Federal Building, 300  
Las Vegas Blvd. South, Las Vegas, Nevada  
89101**

I, LISA DUNN, declare under penalty of perjury:

1. I am the president of TEM ENTERPRISES d/b/a/ XTRA AIRWAYS ("Debtor" or "Debtor in Possession"), debtor in possession in Case No. 14-13955-abl, pending in the United States Bankruptcy Court, District of Nevada (the "Action").

1           2.       This declaration is made of my personal knowledge except where stated upon  
2 information and belief, and as to those matters I believe them to be true, and if called as a  
3 witness I could competently testify thereto.

4           3.       This declaration is submitted in support of the *Emergency Motion For An Order*  
5 *(I) Authorizing Debtor to Pay Employee Wages, Salaries, Benefits, Reimbursable Business*  
6 *Expenses and Other Employee Obligations; and (II) Authorizing Payment of Certain Critical*  
7 *Vendors* (the “Motion”).

8           4.       Debtor utilizes at least three (3) vendors (the “Critical Vendors”) which are  
9 necessary to the Debtor’s continuing operations and the subject of the Motion. I, along with the  
10 chief financial officer, prepared the attached list of Critical Vendors and believe it depicts and  
11 true and accurate representation of all Critical Vendors that are owed a pre-petition debt. A  
12 copy of that list is attached hereto as “**Exhibit 1**”.

13           5.       Prior to filing the voluntary petition, Debtor incurred approximately \$18,120.85  
14 in pre-petition debt from these Critical Vendors. Upon information and belief, absent payment,  
15 the Critical Vendors may terminate their services which will result in a shutdown of the  
16 Debtor’s operations.

17           6.       Specifically, these Critical Vendors provide, *inter alia*, parts to the Debtor upon  
18 request when essential parts of the Debtor’s fleet need repair or replacement, equipment, on  
19 rent, to allow the Debtor’s aircrafts to back out of the runways, and permission for the Debtor to  
20 fly through Mexico’s airspace, which is completed on a daily basis.

21           7.       Debtor employs approximately one hundred and forty (140) full-time and part-  
22 time employees (the “Employees”) in the ordinary course of its business. Continued service by  
23 the Employees is critical to Debtor’s ongoing operations and reorganization. Among other  
24 things, Debtor’s Employees manage day-to-day business activities, including bookkeeping,  
25 office management, and human resource responsibilities, piloting and reservations.

26           8.       As of the Petition Date, Debtor owes its Employees various sums for salaries and  
27 reimbursable business expenses (collectively, the “Salary Obligations”). I, along with the chief  
28 financial officer, prepared the attached list of all Salary Obligations owed as of the Petition

1 Date and believe it depicts and true and accurate representation of all Salary Obligations that  
2 were owed as of the Petition Date. A copy of that list is attached hereto as “**Exhibit 2**”. Debtor  
3 pays its Employees on a semi-monthly payroll cycle. When payroll checks are paid to Debtor’s  
4 Employees, the Employees are paid current as of one week prior.

5 9. The payroll for the first half of each month averages approximately \$270,000.00  
6 for Debtor. The payroll for the second half of each month averages approximately \$200,000.00  
7 for Debtor. No single Employee is owed in excess of \$2,600.00.

8 10. Additionally, Debtor withholds from its Employees’ wages amounts for federal  
9 income, social security and Medicare taxes, and remits the same to the appropriate taxing  
10 authorities. To the extent Debtor has withheld amounts pertaining to said taxes, Debtor seeks  
11 authorization to continue to deduct these funds and pay them to such governmental entities in  
12 the ordinary course of business.

13 11. In the ordinary course of its business, and as is customary for most companies,  
14 Debtor has established various employee benefit plans and policies that provide certain  
15 Employees with medical, vacation, employee savings, and other similar benefits (collectively,  
16 the “Employee Benefits”).

17 12. An important element of the Employee Benefits is the medical insurance, fifty  
18 percent (50%) of which is paid by the Debtor. The remaining fifty percent and any other dues  
19 arising from coverage of the Employee’s family members is paid by the Employee through  
20 withholding on the Employee’s payroll. Debtor maintains a medical plan for its eligible  
21 Employees (the “Health Plan”) administered by several different providers. This Employee  
22 Benefit is made available to Debtor’s Employees that meet the minimum employee eligibility  
23 requirements. The cost of the Health insurance is approximately \$30,000.00 per month and is  
24 paid monthly during the first half of each month. Pursuant to the Health Plan, Debtor pays a  
25 portion of the cost for coverage of each enrolled Employee. As of the Petition Date, Debtor  
26 owes the providers of these Employee Benefits approximately \$3,423.43. I, along with the  
27 chief financial officer, prepared the attached list of all Employee Benefits owed as of the  
28 Petition Date and believe it depicts and true and accurate representation of all Employee

1 Benefits payments that were owed as of the Petition Date. A copy of that list is attached hereto  
2 as “**Exhibit 3**”.

3 13. In the ordinary course of their employment, certain authorized Employees may  
4 have used their own personal credit cards or expended their own personal funds on behalf of  
5 and for the benefit of Debtor (the “Reimbursable Business Expenses”). Employees rendered  
6 services and incurred Reimbursable Business Expenses in anticipation of receiving their  
7 standard compensation and reimbursements; however, as of the Petition Date, such obligations  
8 may remain unpaid and unreimbursed. The amount of Reimbursable Business Expenses the  
9 Debtor has incurred, as of the Petition Date is approximately \$3,704.40.

10 14. Upon information and belief, it is essential for the morale and maintenance of  
11 trust of the Employees that necessary steps are taken to protect the Employee Benefit Plans  
12 described herein, including the payment of the Employees' prepetition Salary Obligations,  
13 Health Plan obligations, Vacation Accruals, and Reimbursable Business Expense repayments.

14 15. If Airline Economics is not paid by June 13, 2014, the Debtor will be prohibited  
15 from flying into Mexico's airspace. The Debtor flies through Mexico's airspace nearly every  
16 day as it is tasked with the duty of returning illegal immigrants to Mexico from the United  
17 States. Thus, if this payment is not made by June 13, 2014, it will result in a complete  
18 shutdown of operations.

19 SIGNED under penalty of perjury this 10th day of June, 2014.

20 By: /s/ Lisa Dunn  
21 Lisa Dunn  
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# EXHIBIT 1

**Critical Vendor Claims**

<b><u>Vendor Name</u></b>	<b><u>Amount Due</u></b>
Inventory Locator Services, LLC	2,367.00
United Rentals (North America)	792.04
Airline Economics (Mexico overflight)	14,961.81
<b>Total Owed</b>	<b>18,120.85</b>

## EXHIBIT 2

## Salary Obligations

<b>Employee Name</b>	<b>Unpaid Wages</b>	<b>Unpaid Reimbursable Business Expense</b>	<b>Total Amount Owed</b>
Del Fruit		\$157.23	\$157.23
Debby Sundquist		\$400.00	\$400.00
Andrew Holobinko		\$286.92	\$286.92
Barry Birtwistle		\$94.90	\$94.90
Mohsen Moghadassi		\$69.78	\$69.78
Opal Reynolds		\$340.50	\$340.50
Ron Lyda	\$2,258.97		\$2,258.97
James Fulop		\$38.69	\$38.69
Donaciano Lovato		\$60.00	\$60.00
Adabelle Suarez		\$25.00	\$25.00
Virginia Westwater		\$50.00	\$50.00
Robert Vance		\$45.00	\$45.00
Cyndi Adams		\$154.45	\$154.45
Jack Enslinger		\$88.50	\$88.50
Sumitra Satram		\$175.50	\$175.50
Chandler Brennen		\$60.00	\$60.00
Alan Rizo		\$31.58	\$31.58
Brian Felter		\$421.00	\$421.00
Daisy Rojas		\$170.00	\$170.00
Mark Crow		\$10.00	\$10.00
Faris Abuzeid		\$312.70	\$312.70
Jessica Harris		\$100.00	\$100.00
Jack Enslinger		\$24.68	\$24.68
Peter Mcasey		\$587.97	\$587.97
Julianna Gedwed	\$1,728.44		\$1,728.44
David Townsend	\$2,546.76		\$2,546.76
Tali McGinnis	\$1,157.02		\$1,157.02
<b>Total</b>	<b>\$7,691.19</b>	<b>\$3,704.40</b>	<b>\$11,395.59</b>



## EXHIBIT 3

**Employee Benefits Claims**

<b><u>Recipient of Employee Benefit Payments</u></b>	<b><u>Unpaid Employee Benefit Expenses</u></b>
Blue Cross of Idaho	2,956.94
Met Life	297.36
Kansas City	39.55
United Heritage	129.58
<b><u>Total Owed</u></b>	<b><u>3,423.43</u></b>